



**CITIZENS BOND REVIEW COMMISSION
FINANCIAL SERVICES CONFERENCE ROOM
7447 E. INDIAN SCHOOL ROAD, 2ND Floor, Suite 210
SCOTTSDALE, ARIZONA 85251
THURSDAY, JULY 5, 2001**

MINUTES

PRESENT: Bernadette Phillips-Garcia, Chairman
Larry Beckner
James Britt
Monyette Dunlap-Green
Thomas Lanin
William Magoon
Gregg Maxon
Lisa Samuel
Sue Sisley
Lee Tannenbaum
William Welch

ABSENT: Eric Schechter (excused)
Steven Sagert, Vice Chairman (excused)
Sam West

STAFF: Judy Frost, Budget Manager
Jim Jenkins, General Manager, Financial Services Department
John Faramelli, CPM Administrator
Dan VandenHam, CIP Coordinator
Roger Klingler, City Manager's Office

CALL TO ORDER

The regular meeting of the Scottsdale Citizens Bond Review Commission was called to order by Chairperson Phillips-Garcia at 5:00 p.m. Chairperson Phillips-Garcia noted that Commissioners Milhaven and Heckman had resigned due to conflicting positions on other boards. She welcomed two new Commissioners, Monyette Dunlap-Green and James Britt.

MINUTES APPROVAL

Chairperson Phillips-Garcia noted that the May 3, 2001 meeting had been a special meeting and should be so reflected in the minutes for that meeting. She stated that the four regular Commission meetings are in January, April, July, and October per the bylaws, and the fact that the April meeting was cancelled and

replaced with a meeting in May does not make the May meeting a regular meeting per the City Clerk. Chairperson Phillips-Garcia asked that the next agenda include a review of the bylaws section dealing with regular versus special meetings. She stated that her concern is that if replacements for regular meetings become special meetings, then potentially a commissioner could miss several meetings in a year and not be in violation of the bylaws, but would miss important information during that time.

Commissioner Lanin also requested clarification of his statement on Page 3, Paragraph 2. He stated that he had concerns about the availability of funds relative to the acceleration of bond projects.

COMMISSIONER LANIN MOVED TO APPROVE THE MINUTES FOR THE MAY 3, 2001 MEETING AS AMENDED. COMMISSIONER SAMUEL SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY.

UNFINISHED BUSINESS

A. BOND PROGRAM CASH FLOW PROJECTION

Mr. Jim Jenkins distributed handouts to the Commissioners. He pointed out the total cash flow for year 2001-2002 totals \$38,000,000 and that the planned issuances for the adopted 2001-2002 budget are approximately \$40,000,000. He explained that a difference of \$2,000,000 at this point is acceptable. He also referred to the estimated tax rate and noted that the rate ranges from \$1.15 to a high of \$1.31, which is lower than the original figure of \$1.35.

He addressed the question of bond capacity and pointed out the two types of bond capacity:

1. Bonding capacity for 6% bonds, which may be used for any municipal purpose, to include transportation and public safety facilities.
2. Bonding capacity for 20% bonds, which are library and park improvements, neighborhood flood control and scenic corridor improvements. He noted that the bonding capacity is more than sufficient to meet all of Scottsdale's projected needs for the time period in question. In response to a question by Commissioner Samuel, Mr. Jenkins explained the computations used to arrive at the 6% and 20% capacity.

A discussion ensued as to the two types of bonds and Mr. Klingler explained that the limits are set by State law, and that any change must be approved by the voters. He noted that efforts to include transportation in the 20% category have been defeated twice by the voters. He reiterated the commitment of staff to provide updates to the Commission on how changes in the program will affect the property tax rate.

NEW BUSINESS

A. BOND REIMBURSEMENT RESOLUTION

Mr. Jenkins explained that one of the costs associated with issuing bonds has to do with the bond attorneys involved, with costs ranging close to \$100,000. He stated that the City had planned a bond issue for preservation in the early spring; however, by issuing the preservation and General Obligation bonds together, approximately \$100,000 in issuance costs can be saved. He went on to propose approval of a bond reimbursement resolution, allowing the City to fund projects and then reimburse those funds when the bonds are actually issued. This process is in accordance with the IRS ruling requiring a resolution to specify what the money is going to be authorized to repay. Mr. Jenkins also noted that based on the current cash flow plan for bond projects, the first issuance would be \$40,000,000. However, delaying the issuance allows for a more accurate estimation of the cash needed, and may result in a lower issuance amount.

Commissioner Maxon asked about the source of the funds to be advanced. Mr. Jenkins replied that those funds would come from the City's reserve funds, and would have no adverse impact on other funding needs. In response to a question by Commissioner Dunlap-Green, Mr. Jenkins stated that this advance of funds is an accepted business practice, and that the bond issuance date is scheduled for March 2002.

COMMISSIONER LANIN MOVED APPROVAL OF THE BOND REIMBURSEMENT RESOLUTION. COMMISSIONER SAMUEL SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY.

B. PROJECT MANAGEMENT PLAN

John Faramelli, CPM Administrator, presented to the Commission the project management implementation plan for the approved 2001/02 bond projects. He stressed three key points in implementing the plan:

1. Relationship between the sponsoring department and the CPM
2. Public outreach to ensure public access to information at all phases of the project
3. Project tracking process

Mr. Faramelli reviewed the role played by the public, City Council, Citizens Bond Review Commission, Financial Services, sponsoring departments, and the Municipal Services Department in the management plan. He described the project sequence, project reporting process, and the project tracking. He provided a sample of a monthly project update report, which summarizes all the relevant data such as schedule, budget, trends, and contact information. Chairperson Phillips-Garcia requested that the Commission receive copies of the monthly project update reports. Mr. Faramelli responded that he would look

into providing that information via the internet, and link it to the Bond website that Mr. VandenHam was about to demonstrate.

C. BOND 2000 REPORTING

Dan VandenHam, Capital Improvement Program Coordinator, presented a demonstration of the draft Bond 2000 Internet site that was developed to track the progress of the bond program. He pointed out the links available to other projects and the City Budget and Capital Improvement Budget. The site enables the user to access information on each project with a status report, including the original plan, cash flow, approved changes, agenda and minutes from the meetings where the changes were discussed and approved. He discussed potential links that could be implemented as the project nears completion, such as a link to the CPM website. Mr. VandenHam reviewed the Bond Commission section, which includes the Bylaws, Commissioners and contact information, agendas and approved meeting minutes and attendance. He suggested that the Commissioners access and review the Website, and communicate any comments or suggestions to him.

ADJOURNMENT

With no further business to come before the Commission, being duly moved and seconded, the meeting was adjourned at 6:15 p.m.

Respectfully Submitted,

"For the Record" Court Reporters